

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2015

Docket No. ACR2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-14 OF CHAIRMAN'S INFORMATION REQUEST NO. 2

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 2, issued on January 8, 2016. Each question is stated verbatim and followed by the response. The responses to Questions 15 - 26 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. The following table details the Stamp Fulfillment Services (SFS) Cost, Revenue, and Cost Coverage from FY 2011 to FY 2015.

| Stamp Fulfillment Services | | | |
|-------------------------------|-----------------------|--------------------|--------------------|
| Year | Revenue (millions) | Cost (millions) | Cost Coverage |
| FY 2011 | 2.7 | 5.2 | 59.7% ¹ |
| FY 2012 | 3.3 | 5.6 | 59.3% ² |
| FY 2013 | 4.1 | 5.1 | 80.8% ³ |
| FY 2014 | 3.3 | 4.3 | 82.3% ⁴ |
| FY 2015 ⁵ | 3.9 | 6.6 | 59.1% |
| Source: FY2011-2015 ACR & ACD | | | |
| ¹ | PRC-ACR2011-LR-1 | | |
| ² | PRC-ACR2012-LR1 | | |
| ³ | PRC-ACR2013-LR5-Final | | |
| ⁴ | PRC-ACR2014-LR7 | | |
| ⁵ | Still Under Review | | |

- a. Please explain why the total costs for SFS increased by 56 percent in FY 2015. FY 2015 ACR at 53.
- b. Please explain why the unit costs for SFS increased by 36 percent in FY 2015.
- c. Please discuss the Postal Service's plans for improving the cost coverage of SFS in the future.

RESPONSE:

a.b. The FY 2015 revenue figure in the above table is lower than the Stamp Fulfillment Services (SFS) revenue figure presented in the Billing Determinants because it excludes the Philatelic portion of the revenue as a result of Docket No. RM2014-1, Proposal Six, which was subsequently approved by the Commission in Order No. 2076 (May 8, 2014). Thus, the above revenue figure is the correct one to use in the calculation of the cost coverage. The above FY 2015 cost figure, however, is incorrect. Revisions must be made to the costs as described below.

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The SFS handling cost study can be found in USPS-FY15-28, Attachment 17. As filed, the total non-Philatelic handling costs and unit handling costs were estimated to be \$6,998,036 and \$2.614, respectively.

In addition to fulfilling customer orders in FY 2015, SFS was also responsible for distributing stamps to Postal Retail Units (PRU). These transactions represented inventory movements and were not sales. Consequently, PRUs were not assessed handling fees for these transactions. The work hours related to PRU stamp distribution, however, were incorrectly included in the SFS handling cost study that was originally filed in the instant proceeding.

Upon further review, SFS personnel have made two modifications to the SFS inputs in order to remove the PRU stamp distribution work hours. The new work hour values have been entered into cells D16 and D17 in the 'Fulfillment_LR' worksheet and cell B14 in the 'SFS Workhours' worksheet in the revised USPS-FY15-28 SFS handling cost model that is being filed in response to Question 2 of this Information Request. The cost study worksheets in which some values have changed have been highlighted in yellow. The cells that changed within those worksheets have also been highlighted in yellow. Using these new input data, the total non-Philatelic handling costs are estimated to be \$ 4,595,697.

In addition, an error was discovered in the SFS Handling cost model. As filed, cell B10 in the 'SFS_Summary' worksheet calculates the unit handling cost by dividing the total handling costs, including Philatelic handling costs (cell B6), by the total number of non-Philatelic orders. The SFS unit handling cost should have been calculated by dividing the total non-Philatelic handling costs (cell B8) by the total number of non-Philatelic

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orders. When this error is corrected, the FY 2015 unit handling costs are estimated to be \$ 1.636. Cell B10 in the 'SFS Summary' worksheet is also highlighted in yellow.

c. Based on the revised cost study results, the FY 2015 SFS handling cost coverage is 85 percent (\$ 3,910,286 / \$ 4,595,697), the highest cost coverage for SFS recorded so far. As the Postal Service indicated in its Annual Compliance Report, it agrees with the Commission's cost coverage comments made in the ACD for FY 2012, at 142.

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2. Please resubmit Library Reference USPS-FY15-28 with cells linked both internally and to the source documents.

RESPONSE:

A revised version of USPS-FY15-28 with improved linkages will be filed.

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3. Please resubmit Library Reference USPS-FY15-NP26 with cells linked both internally and to the source documents.

RESPONSE:

A revised version of USPS-FY15-NP26 with improved linkages will be filed.

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4. Please refer to Library Reference USPS-FY15-4, the Special Services Billing Determinants (Billing Determinants), and "Table 6: Special Services Volume, Revenue, and Cost by Service/Product," on page 52 of the FY 2015 ACR.
- a. Please reconcile the Billing Determinants volume for Insurance in tab "F-3 Insurance" cell C63 of 18.1 million with the ACR volume for Insurance of 22.7 million.
 - b. Please reconcile the Billing Determinants revenue for Insurance in tab "F-3 Insurance" cell C71 of \$86.0 million with the ACR revenue for Insurance of \$89.1 million.
 - c. Please reconcile the Billing Determinants revenue for Stamped Envelopes in tab "F-9 Stamped Envelopes" cell D69 of \$14.2 million with the ACR revenue for Stamped Envelopes of \$11.2 million.
 - d. Please reconcile the Billing Determinants revenue for Caller Service in tab "F-4 PO Boxes" cell G29 of \$94.0 million with the ACR revenue for Caller Service of \$98.8 million.
 - e. Please reconcile the Billing Determinants volume for Credit Card Authentication in tab "H-7 ICOA" cell B9 of 15.3 million with the ACR volume for Credit Card Authentication of 14.6 million.
 - f. Please reconcile the Billing Determinants revenue for Money Orders in tab "F-5 Money Orders" cell D23 of \$158.9 million with the ACR revenue for Money Orders of \$160.5 million.
 - g. Please reconcile the Billing Determinants revenue for Post Office Box Service in tab "F-4 PO Boxes" cells B29:F29 (summed) of \$302.2 million with the ACR revenue for Post Office Box Service of \$310.9 million.
 - h. Please reconcile the Billing Determinants revenue for Stamp Fulfillment Services in tab "F-15 SFS" cell D14 of \$4.1 million with the ACR revenue for Stamp Fulfillment Services of \$3.9 million.

RESPONSE:

The values reported in "Table 6: Special Services Volume, Revenue, and Cost by Service/Product" are taken directly from the CRA.

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a-b. The CRA volume and revenue combine insurance and Priority Mail Express insurance volumes, reflecting the Docket No. R2015-4 structural change that was implemented on May 31, 2015. The Billing Determinants continue to report those volumes separately for the period before May 31, 2015. Additionally, the CRA reports volume for those Priority Mail Express pieces that receive included insurance up to \$100 per piece, unlike the Billing Determinants. As a result, the CRA includes an additional 4.6 million pieces and \$3.1 million in revenue.

c. The CRA uses data from USPS-FY15-42 (RPW) which does not include the \$4,447,117 in Stamped Envelope revenue from Premium Options and Shipping fees. On the other hand, the RPW includes about \$1.4 million more revenue for the Stamped Envelopes themselves, because it uses the best data that were available for quarterly reporting; but more accurate data are available after the completion of a full year. The Billing Determinants therefore rely on order level data for Personalized Stamped Envelopes, which include the Premium Option and Shipping fees for those envelopes, and use an annual source for Plain Stamped Envelopes.

d. The ACR revenue includes Reserve Numbers revenue of \$5.4 million. Also, Post Office Box service and Caller Service volumes times the appropriate price do not add up to the RPW reported revenue; therefore, a Revenue Adjustment Factor is derived to show the relationship between the volume in each Size / Fee Group combination

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multiplied by the appropriate price and the RPW revenue. For FY 2015 the Revenue Adjustment Factor for the combination of Post Office Box service and Caller Service is $409,716,198 / 401,566,466 = 1.02029485$. Caller Service includes both Caller Service and Reserve number, for a revenue of \$99.4 million. For Caller Service alone, the Revenue Adjustment Factor would be $98.8 / 99.4 = 0.99$.

e. The Billing Determinants volume is correct. The value in Table 6 was not updated to reflect the most current data.

f. The CRA includes Money Order Float, as stated in Note 5(A) of the CRA. The Billing Determinants do not include Money Order Float.

g. The Billing Determinants are based on Post Office Box service and Caller Service volumes multiplied by the appropriate price. The results do not match the RPW reported revenue; therefore, a Revenue Adjustment Factor is derived to show the relationship between the volume in each Size / Fee Group combination multiplied by the appropriate price and the RPW revenue. For FY 2015 the Revenue Adjustment Factor for the combination of Post Office Box service and Caller Service is $409,716,198 / 401,566,466 = 1.02029485$. For Post Office Box service alone, the Revenue Adjustment Factor would be $\$310.9 / \$302.2 = 1.03$.

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h. The revenue reported in the ACR is correct. The revenue reported in the Billing Determinants uses incorrect data, as explained in the response to Question 1 of this Information Request.

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5. Please refer to Library Reference USPS-FY15-NP2, Excel file "NSA Summary (Unified).xls," worksheet Merged ICM Data. Please confirm that column A does not contain the expected values of 1 through 12.
- a. If confirmed, please provide a version of the file with corrected values for column A.
 - b. If not confirmed, please explain the meaning of the values in column A.

RESPONSE:

- (a) Not confirmed.
- (b) The original data gathered from various sources for processing by the ICM Costing Module of the ICRA contained the values 1 through 12 in column A. That data consisted of 862,934 records of individual mailings. For specific NSAs, the data provided information on various mailings by month, including multiple mailings occurring in the same month. Because the ICRA reports the NSA performance on a fiscal year basis, the data were compressed by aggregating across months by distinct Vendor, Product, Docket Number, Contract, Serial Number, Contract Type, Service Level, and Rate Group. This resulted in a more manageable set of 12,432 unique records, and a value of 0 was arbitrarily assigned to the original Calendar Month field to indicate the records represented fiscal year totals rather than any particular month.

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6. The following questions pertain to the quality of service link to terminal dues for Inbound Letter Post.
- a. For CY 2014, please provide the final monthly, quarterly, and annual quality of service measurement results for the link to terminal dues provided to the Postal Service by the International Post Corporation (IPC) or its contractor.
 - b. For CY 2015, please provide the preliminary monthly and quarterly quality of service measurement results for the link to terminal dues provided to the Postal Service by the IPC or its contractor.
 - c. For any month during CY 2015 for which the preliminary monthly quality of service measurement results for the link to terminal dues have not yet been provided to the Postal Service, please provide such preliminary monthly quality of service measurement results as they become available from the IPC or its contractor.
 - d. If the Postal Service did not meet the Universal Postal Union (UPU) quality of service measurement target of 88 percent during the periods referenced in questions 1a., 1b., and 1c., please provide the amount of forfeited revenue for each such period.

RESPONSE:

- (a) Please see CY 2014 material, filed under seal, as part of USPS-FY15-NP31 that accompanies this response.
- (b) Please see CY2015 material, filed under seal, as part of USPS-FY15-NP31 that accompanies this response.
- (c) No response required.
- (d) Please see the file ChIR.2.6d.pdf, filed under seal, within USPS-FY15-NP31.

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7. The following requests concern inbound Express Mail Service (EMS).
- a. Please provide the EMS Cooperative quarterly report card for CY 2014, quarter 4.
 - b. Please provide the EMS Cooperative annual report card for CY 2014.
 - c. Please provide the available EMS Cooperative quarterly report cards for CY 2015.
 - d. For each quarter during CY 2015 for which the EMS Cooperative quarterly report card is not yet available, please provide the CY 2015 monthly and quarterly report cards as they become available.

RESPONSE:

- (a) Please see CY 2014 Quarter 4 material, filed under seal, as part of USPS-FY15-NP31 that accompanies this response.
- (b) Please see the CY 2014 annual report card, filed under seal, as part of USPS-FY15-NP31 that accompanies this response.
- (c) Please see CY2015 Quarters 1, 2 and 3 materials, filed under seal, as part of USPS-FY14-NP31 that accompanies this response.
- (d) No response is required; however, monthly reports are not currently produced by the EMS Cooperative.

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8. The following requests concern inbound EMS and the Kahala Posts Group (KPG).
- a. Please identify the foreign postal operators that were member posts of the KPG during FY 2015, and specify which of those member posts entered inbound EMS into the U.S.
 - b. Please confirm that during FY 2015, the EMS Cooperative Pay-for-Performance Plan was applicable to all KPG members identified in 8.a who entered inbound EMS into the U.S. If not confirmed, please identify KPG member posts who entered inbound EMS that were not subject to the EMS Cooperative Pay-for-Performance Plan and explain why the EMS Cooperative Pay-for-Performance Plan was not applicable to those KPG member posts.
 - c. The KPG Strategic Services Agreement describes the conditions for date-certain delivery performance in which late delivery results in penalties in the form of a postage refund. Please provide all fiscal year, calendar year, and/or quarterly reports that measure the service performance of inbound EMS from KPG member posts with respect to late deliveries, penalties, and any other service performance metrics, including the number of late deliveries for which a postage refund was made and the total amount of such refunds in FY 2015 for each KPG member post.
 - d. Please confirm that in Library Reference USPS-FY15-NP2, Excel file "Reports (Unified).xls," tab "ICRA Database," column I represents inbound EMS from KPG member posts. If not confirmed, please explain what this column represents.
 - e. Please confirm that in Library Reference USPS-FY15-NP2, Excel file "Reports (Unified).xls," tab "A Pages Summary," cell H60, the value in the referenced cell represents the expenses allocated to KPG membership. If not confirmed, please explain the source of the costs reported in cell H60.
 - f. Please clarify the status of the Postal Service's participation in the KPG.

RESPONSE:

- (a) The Kahala Posts Group members in FY2015 were: the United States Postal Service, Australian Postal Corporation, China Post Group, Correos Y Telégrafos SAE, Groupe La Poste, Hongkong Post, Japan Post Service Co., Ltd, Korea

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Post, Royal Mail Group Ltd, and Singapore Post Limited. All of the previously referenced foreign postal operators who were members of the Kahala Posts Group in FY 2015 entered EMS into the United States in FY2015.

- (b) In FY2015, the EMS Cooperative Pay for Performance Plan was applicable to the following KPG members: Great Britain, Hong Kong, Japan, Korea, Singapore, and United States. In FY 2015, the EMS Cooperative Pay for Performance Plan was not applicable to the following KPG members: Australia, China, France, and Spain. The EMS Cooperative Pay-for-Performance was not applicable to the aforementioned countries, because those countries opted not to participate in the EMS Pay-for-Performance Plan with the Postal Service.
- (c) Please see the file ChIR.2.Q.8c.resp.pptx, filed under seal, within USPS-FY15-NP31.
- (d) Confirmed.
- (e) Not confirmed. Please see USPS-FY15-NP2 <Core Files> Inputs.xls Product Specific Costs tab, cell j32. The amount is the International finance number expenses that cannot be associated with any International products.
- (f) The Postal Service intends to continue in its participation in KPG.

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9. Inbound Air Parcel Post (at non-UPU rates) consists of agreements with Royal Mail and European postal operators executed pursuant to Annex B2 of the e-Parcel Group (EPG) agreement, which predates the Postal Accountability and Enhancement Act. The Postal Service has established calendar quarter on-time performance goals to achieve improved performance for EPG parcels.¹
- a. Please provide the on-time performance goals and the on-time performance achieved for each available calendar quarter of 2015 and, for comparison purposes, each calendar quarter of 2014. If information concerning on-time performance achieved for any calendar quarter of 2015 (or 2014) is not currently available, please provide such information as it becomes available.
 - b. For FY 2015, please explain what caused the Postal Service to make penalty payments, and whether such payments were made pursuant to provisions of bilateral agreements executed pursuant to Annex B2 of the EPG agreement, or any other bilateral or multilateral agreements.
 - c. For FY 2015, please provide the total amount of penalty payments, and the related trigger events (e.g., late delivery, late transmissions, missing delivery information) that caused the penalty payments.

RESPONSE:

- (a) Part of this response is filed non-publicly. Please see the text file (ChIR.2.9a and c.pdf) provided under seal with this response as part of USPS-FY15-NP31.

The last time the Postal Service set goals for each calendar quarter was in of 2013. At that time, International Network Operations (INO) worked with each of the International Service Centers (ISCs) to focus on issues unique to it to achieve improved performance. These initiatives included assignment of a Lean Six Sigma team to one ISC's operations, weekly service teleconferences focused on

¹ See Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-3.b, 4-5, and 7-12 of Chairman's Information Request No. 5, February 11, 2014, question 3a.

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priority service, facility renovation, additional equipment installation for parcel sortation, item level scanning improvement, and consolidation of the military mail operations to one ISC. Activities that took place in FY2015 to improve performance included:

- Worked with Germany to develop and implement fully a new Priority Parcel track and confirm label that helped reduce penalties for missing D and H/I scans;
- For FY2016, INO is working on the design and development and deployment of an International Parcel Post System (IPPS) machine in New York (JFK) and Los Angeles (LAX) ISCs; and
- Worked with Chicago (ORD), San Francisco (SFO), and Los Angeles (LAX) ISC sites specifically to improve service through process review and project realignment with Sort facility, OOC scanning, and Non- machineable processing.

(b) Notable conditions in FY2015 that may have had an impact on penalties included:

- Focus on EPG parcels for improving scanning and identifying the multiple international labels used;

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- Penalty payments were pursuant to bilateral EPG agreements for performance from missing H/I scans, On- time performance and EDI messaging; and
 - Competitive product growth FCMI parcels over capacity.
- (c) Please see the text file (ChIR.2.9a and c.pdf) provided under seal with this response as part of USPS-FY15-NP31.

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- 10.** The following request concerns International Money Transfer Service (IMTS).
- a. For the IMTS—Outbound and Inbound products during FY 2015, please provide the total number of In-Office Cost System (IOCS) tallies, the coefficient of variation for the IOCS-based cost estimate, and the 95 percent confidence interval for the cost coverage.
 - b. Please explain the substantial decreases in IMTS—Inbound product revenue from FY 2014 to FY 2015.
 - c. Please provide an updated FY 2015 version of Docket No. ACR2014, Library Reference USPS-FY14-NP43, June 30, 2015, as further modified in Docket No. RM2015-13.²

RESPONSE:

- a. There were seven (7) IOCS tallies in FY 2015, and the coefficient of variation (CV) for the IOCS-based cost estimate is 46 percent. The 95 percent confidence interval for the cost coverage is 27 percent to 195 percent.
- b. International Money Transfer Service (IMTS) is obtained from general ledger account number 43317. The FY14 to FY15 decrease is primarily the result of two items. First, there was a relatively large adjustment posted in the first month of FY14 that related to FY13, and that boosted revenue in FY14. But there was no similar adjustment or revenue boost in the first month of FY15. Second, there was a material decrease in the number of Money Orders from the largest inbound source country in FY15, with a corresponding decrease in

² See Docket No. RM2015-13, Order No. 2825, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Five), November 19, 2015.

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revenue. Together, these two factors essentially explain the decrease in FY15 reported revenue.

- c. Please see the Excel file (ChIR.2.Q.10.IMTS.xls) provided under seal with this response as part of USPS-FY15-NP31. That Excel file is an updated version, with FY 2015 amounts, of the Excel worksheet filed in Docket No. ACR2014, USPS-FY14-NP43 (June 30, 2015), as further modified in accordance with the discussion on pages 9-12 of Commission Order No. 2825 (Docket No. RM2015-13, November 19, 2015).

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11. The following request concerns market dominant Global Direct Entry with Foreign Postal Administrations and an authorization arrangement that allows a handling charge for certain mail.³
- a. In addition to Deutsche Post, please identify the foreign postal operators that entered foreign-origin, inbound direct entry items pursuant to an authorization arrangement in FY 2015.
 - b. Refer to Library Reference USPS-FY15-NP2, Excel file "Reports (Unified).xls," worksheet tab A Pages (md), Table A-2. Please explain why no results are provided in Global Direct Entry with Foreign Postal Administrations shown in Table A-2.

RESPONSE:

- a. No foreign postal operators entered foreign-origin, inbound direct entry items pursuant to an authorization agreement in FY 2015.
- b. There was no FY15 activity to report because no foreign postal operators entered foreign-origin, inbound direct entry items pursuant to an authorization agreement in FY 2015.

³ See Docket No. R2013-1, United States Postal Service Notice of Market-Dominant Price Adjustment, October 11, 2012, in which the Postal Service added a \$0.01 handling charge for foreign-origin, inbound direct entry First-Class Mail Machinable Single-Piece Letters, Single-Piece Postcards, Single-Piece Flats, and Single-Piece Parcels tendered by foreign postal operators, subject to the terms of an authorization arrangement. The handling charge took effect January 27, 2013, and remained in effect during FY 2015.

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- 12.** The following requests concern the system of bonus payments and required service features administered by the UPU for Inbound Air and Surface Parcel Post (at UPU rates).
- a. For CY 2014 and CY 2015, please provide the required service features for bonus payments under the UPU inward land rate bonus system and the corresponding percentages.
 - b. For CY 2014, please provide the results of the Postal Service's final annual measurements for purposes of the inward land rate bonus.
 - c. For CY 2015, please provide the results of the Postal Service's most recent calendar year measurements for purposes of the inward land rate bonus.
 - d. If the Postal Service did not meet the service feature requirements for a UPU inward land rate bonus, please provide the amount of forfeited revenue for CY 2014 and for CY2015 available to date.

RESPONSE:

- (a) Please see USPS-FY15-NP31 that accompanies this response.
- (b) Please see USPS-FY15-NP31 that accompanies this response.
- (c) Please see USPS-FY15-NP31 that accompanies this response.
- (d) Please see USPS-FY15-NP31 that accompanies this response.

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- 13.** The Postal Service states that the Media Mail/Library Mail cost coverage declined 17.47 percentage points to 76.23 percent due to a “large change in certain cost factors, such as the density factor.” FY 2015 ACR at 47.
- a. Please provide a list of all cost factors that changed to contribute to the decline in Media Mail/Library Mail cost coverage
 - b. Please provide an explanation for why each cost factor changed, and how the change in each cost factor contributed to a decline in Media Mail/Library Mail cost coverage.

RESPONSE:

- a. The Media Mail/Library Mail cost coverage declined due to increases in Clerk and Mailhandler costs (C/S 3 costs increased by 15 percent) and in Transportation costs (C/S 14 increased by 14 percent). In addition, there was a significant decline in volume (decrease of 13 percent) that contributed to the increase in unit costs and resulting decline in cost coverage.
- b. On May 31, 2015, tracking became included with Media Mail/Library Mail at no additional charge. Up to that date, a portion of the costs for clerks at the retail window who were handling Media Mail/Library Mail was attributed to USPS Tracking. After that date, all of these handling costs were attributed to the Media Mail/Library Mail product.⁴ Had the proportion of costs for Media Mail/Library Mail attributed to USPS Tracking

⁴ See USPS-FY15-37, In-Office Cost System (IOCS) Documentation, p. 1, regarding the changes in IOCS Methodology.

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remained the same as FY2014, C/S 3.2 (Window) costs would have increased by only 9 percent instead of 21 percent, and overall C/S 3 (Clerk/Mailhandler) costs would have increased by only 14 percent instead of 15 percent.

While the volume of all Media Mail/Library Mail decreased, presorted Media Mail/Library Mail decreased more than single-piece (18 percent versus 13 percent). Since presort pieces are less costly to process, this would contribute to a net increase in the cost per piece.

To the extent that a higher proportion of Media Mail/Library Mail pieces had tracking barcodes in FY2015, there may have been a corresponding increase in mail processing labor associated with barcode scanning. However, the increase may also be due only to sampling variation due to the relatively small volume for this product. The coefficient of variation (CV) for mail processing (C/S 3.1) costs was 5.1 percent in FY2014, and 5.6 percent in FY2015, so the increase in costs is within the 95 percent confidence interval for the estimate of the difference.

The increase in transportation costs may also be due to sampling variation. The CV for Media Mail/Library Mail costs in C/S14 was

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4.3 percent in FY2014 and 6.1 percent in FY2015, so the increase falls within the 95 percent confidence interval for the difference.

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- 14.** The following question pertains to revenues reported for Outside County Periodicals mail. The Outside County Periodicals mail revenue reported in Library Reference USPS-FY15-42, Excel file "Fy2015_RPWsummaryreport_public.xlsx," worksheet "FY 2015 Public," cell "D46" is \$1,515,354,000. The Outside County Periodicals mail revenue reported in Library Reference USPS-FY15-4, Excel file "FY15 Periodicals BDs.xlsx," worksheet "Total FY 2015," cell "L195" is \$1,515,342,621. Please reconcile the discrepancy between Outside County Periodicals mail revenue reported in Library References USPS-FY15-42 and USPS-FY15-4.

RESPONSE:

The number in USPS-FY15-42 is the correct revenue. The USPS-FY15-4 figure does not reflect a small revision in revenue made in the course of end-of-the-year RPW revisions.